

STUMP FLOOR AMENDMENT

HOUSE OF REPRESENTATIVES AMENDMENTS TO S.B. 1117

(Reference to Senate engrossed bill)

1 Page 3, after line 40, insert:

2 "Sec. 2 Section 36-425, Arizona Revised Statutes, as amended by Laws
3 2008, chapter 66, section 3, is amended to read:

4 36-425. Inspections; issuance of license; posting of
5 deficiencies; provisional license; denial of license

6 A. On receipt of a properly completed application for initial
7 licensure, the director shall conduct an inspection of the health care
8 institution as prescribed by this chapter. If an application for an initial
9 license is submitted due to a planned change of ownership, the director shall
10 determine the need for an inspection of the health care institution. Based
11 on the results of the inspection, the director shall either deny the license
12 or issue a regular or provisional license. A license issued by the
13 department shall be conspicuously posted in the reception area of that
14 institution. Unless the health care institution is an accredited hospital at
15 the time of licensure, an initial license is valid for one year after the
16 date the initial license is issued. If the health care institution is an
17 accredited hospital at the time of licensure, the licensure term is three
18 years from the expiration date of the hospital's current license, or in the
19 case of an initial license based on a change of ownership, the licensure term
20 is three years beginning on the effective date of the hospital's current
21 accreditation.

22 B. The director shall issue an initial license if the director
23 determines that an applicant and the health care institution for which the
24 license is sought substantially comply with the requirements of this chapter
25 and rules adopted pursuant to this chapter and the applicant agrees to carry
26 out a plan acceptable to the director to eliminate any deficiencies. The
27 director shall not require a health care institution that was designated as a
28 critical access hospital to make any modifications required by this chapter

1 or rules adopted pursuant to this chapter in order to obtain an amended
2 license with the same licensed capacity the health care institution had
3 before it was designated as a critical access hospital if all of the
4 following are true:

5 1. The health care institution has subsequently terminated its
6 critical access hospital designation.

7 2. The licensed capacity of the health care institution does not
8 exceed its licensed capacity prior to its designation as a critical access
9 hospital.

10 3. The health care institution remains in compliance with the
11 applicable codes and standards that were in effect at the time the facility
12 was originally licensed with the higher licensed capacity.

13 C. On receipt of an application for a renewal of a health care
14 institution's license that complies with the requirements of this chapter and
15 rules adopted pursuant to this chapter, the department shall issue a renewal
16 license to the health care institution. An accredited hospital's renewal
17 license is valid for three years after the expiration date of the accredited
18 hospital's current license. All other health care institution renewal
19 licenses are valid for one year after the expiration date of the health care
20 institution's current license.

21 D. Except as provided in section 36-424, ~~subsections~~ SUBSECTION C and
22 SUBSECTION E of this section, the department shall conduct a compliance
23 inspection of a health care institution to determine compliance with this
24 chapter and rules adopted pursuant to this chapter at least once during each
25 license period.

26 E. After the initial license period ends and after the department
27 determines a facility to be deficiency free on a compliance survey, the
28 department shall not conduct a compliance survey of that facility for
29 twenty-four months from the date of the deficiency free survey. This
30 subsection does not prohibit the department from enforcing licensing
31 requirements as authorized by section 36-424.

1 F. A hospital licensed as a rural general hospital may provide
2 intensive care services.

3 G. The director shall issue a provisional license for a period of not
4 more than one year if an inspection or investigation of a currently licensed
5 health care institution or a health care institution for which an applicant
6 is seeking initial licensure reveals that the institution is not in
7 substantial compliance with department licensure requirements and the
8 director believes that the immediate interests of the patients and the
9 general public are best served if the institution is given an opportunity to
10 correct deficiencies. The applicant or licensee shall agree to carry out a
11 plan to eliminate deficiencies that is acceptable to the director. The
12 director shall not issue consecutive provisional licenses to a single health
13 care institution. The director shall not issue a license to the current
14 licensee or a successor applicant before the expiration of the provisional
15 license unless the health care institution submits an application for a
16 substantial compliance survey and is found to be in substantial compliance.
17 The director may issue a license only if the director determines that the
18 institution is in substantial compliance with the licensure requirements of
19 the department and this chapter. This subsection does not prevent the
20 director from taking action to protect the safety of patients pursuant to
21 section 36-427.

22 H. Subject to the confidentiality requirements of articles 4 and 5 of
23 this chapter, title 12, chapter 13, article 7.1 and section 12-2235, the
24 licensee shall keep current department inspection reports at the health care
25 institution. Unless federal law requires otherwise, the licensee shall
26 conspicuously post a notice that identifies the location at that institution
27 where the inspection reports are available for review.

28 I. A health care institution shall immediately notify the department
29 in writing when there is a change of the chief administrative officer
30 specified in section 36-422, subsection A, paragraph 7.

31 J. When the department issues an original license or an original
32 provisional license to a health care institution, it shall notify the owners

1 and lessees of any agricultural land within one-fourth mile of the health
2 care institution. The health care institution shall provide the department
3 with the names and addresses of owners or lessees of agricultural land within
4 one-fourth mile of the proposed health care institution.

5 K. In addition to the grounds for denial of licensure prescribed
6 pursuant to subsection A of this section, the director may deny a license
7 because an applicant or anyone in a business relationship with the applicant,
8 including stockholders and controlling persons, has had a license to operate
9 a health care institution denied, revoked or suspended or a license or
10 certificate issued by a health profession regulatory board pursuant to title
11 32 or issued by a state agency pursuant to chapter 6, article 7 or chapter 17
12 of this title denied, revoked or suspended or has a licensing history of
13 recent serious violations occurring in this state or in another state that
14 posed a direct risk to the life, health or safety of patients or residents.

15 L. In addition to the requirements of this chapter, the director may
16 prescribe by rule other licensure requirements and may prescribe procedures
17 for conducting investigations into an applicant's character and
18 qualifications."

19 Amend title to conform

BOB STUMP

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